

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6011**

**BILL NUMBER: SB 55**

**NOTE PREPARED:** Jan 17, 2003

**BILL AMENDED:**

**SUBJECT:** Public Safety Communications Systems District.

**FIRST AUTHOR:** Sen. Zakas

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ GENERAL  
☒ DEDICATED  
☐ FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill authorizes St. Joseph County to create, by ordinance, a public communications systems and computer facilities district as a special taxing district in the county.

**Effective Date:** Upon Passage.

**Explanation of State Expenditures:** The state pays Property Tax Replacement Credits (PTRC) in the amount of 60% of school general fund levies attributable to all property and 20% of the portion of all operating levies (including the remaining 40% of the school GF levy) that are attributable to real property and non-business personal property. Homestead Credits are paid by the state in the amount of 20% of the net property tax due on owner-occupied residences.

If the property tax levy rises as a result of this bill, then the state's expense for PTRC and Homestead Credits would also increase. PTRC and Homestead Credits are paid from the Property Tax Replacement Fund, which is annually supplemented by the state General Fund. Therefore, any additional PTRC or Homestead Credit payments would ultimately come from the state General Fund. The additional state expense is could be as much as \$23.5M in FY 2005 (partial year) and \$70.4M in FY 2006 and subsequent years depending on the area served and tax rate adopted.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** If the district existed in 2002, and the boundaries of the special taxing

district were coterminous with those of St. Joseph County, the tax would have been based on an assessed value of \$6B. Statute requires the tax to be no more than \$0.05 per \$100 of the assessed value of the property located within the district. The resulting gross tax levy for the district would have been as much as \$298M. This bill would first be effective with property taxes paid in CY 2005.

**State Agencies Affected:**

**Local Agencies Affected:** St. Joseph County.

**Information Sources:** Local Government Database.

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